

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-772

December 13, 2001

VARTEC TELECOM, INC.
D/B/A VARTEC TELECOM

ORDER APPROVING
REQUEST

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this Order, we approve the request of VarTec Telecom, Inc. (VarTec) to guarantee promissory notes that will be issued by VarTec Holding Company (VarTec Holding), a wholly-owned subsidiary of VarTec, to finance the acquisition of certain telecommunications companies from Teleglobe Holdings (U.S.) Corporation (Teleglobe Holdings). VarTec filed its request on October 31, 2001, and sought authorization under 35-A M.R.S.A. § 1101. VarTec is a Texas corporation that has been granted authority to provide interexchange and UNE-P facilities-based local exchange service in Maine.

VarTec Holdings, Teleglobe Holdings, their respective parent companies and several affiliates of Teleglobe Holdings have entered into a Stock Purchase Agreement dated August 26, 2001, under which VarTec Holdings will acquire all of the common stock of three telecommunications entities, Excel U.S., eMeritus and Long Distance Wholesale Club, each of which are authorized to provide interexchange telecommunications service in Maine. As part of the Stock Purchase Agreement, VarTec Holding will pay for the acquisition by issuing promissory notes. VarTec seeks authorization pursuant to 35-A M.R.S.A. §1101 to guarantee the promissory notes of VarTec Holding.

All of the entities involved in the proposed transaction have authority to provide interexchange telecommunications services in Maine, and VarTec was recently granted authority (in Docket # 2001-614) to provide UNE-P facilities-based local exchange service in Verizon Maine's service territory. All of these entities are operating in competitive telecommunications markets, and the authorization sought by VarTec will allow it to carry out its business plans as it chooses. We have no reason to interfere with those plans, and we see no harm to the public interest in granting the request.

Therefore, we

O R D E R

That VarTec Telecom, Inc. is authorized to guarantee the promissory notes to be issued by VarTec Telecom Holding Co., as described in its application.

Dated at Augusta, Maine, this 13th day of December, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.